

90-014

October 2, 1990

School Districts, Educational Service Districts, and the Office of the Superintendent of Public Instruction

Union employment by TRS members while on authorized leave without pay

Personal services performed for a union **are not** eligible to be reported to the Teachers' Retirement System (TRS) nor to be included in the computation of average final compensation when a member retires. Employers who have reported such employees at any time should immediately notify the Department of Retirement Systems of all current and past employees who were reported in this way.

DRS is aware that some employers have reported salary paid for service performed for teachers' unions as though it is earnable compensation under TRS. When this occurs, the teacher has usually been granted authorized leave without pay to perform work for the union, while the union pays the teacher's salary to the school district, which then pays it to the TRS member as though it is regular salary. In this way, the teacher's work for the union is used to accumulate erroneous TRS service credit.

DRS is currently identifying all contributions paid in the past for members who were actually performing services for and being paid by an employee organization. If you have ever reported a TRS member in this way, your first step should be to notify DRS of the member's name, social security number, the period of time for which these reports were made, and the amount of the member's salary paid by the union. After you have notified DRS, you will need to correct prior transmittal reporting and back out compensation and service for periods when the member was performing services for the union.

TRS Plan I

TRS Plan I members cannot obtain service credit for authorized leave without pay. Plan I members earn service credit only when they are being compensated

for services performed for a TRS-covered employer. Unions are not covered by the Teachers' Retirement System.

TRS Plan II

TRS Plan II members can earn service credit for authorized leave without pay for a period equal to not more than two years total during their TRS careers. If the Plan II member is being compensated by a union during the period of leave without pay, the union-paid salary is **not** reportable to TRS.

After the member returns to active TRS service, the member can establish service credit for the period of authorized leave without pay. The member will owe contributions for the leave period based on a salary equal to the average of the member's salary at the time the leave began and the salary at the time the member returns to work. If the member wishes to establish the service credit, he/she is obligated to pay both employer and employee contributions plus interest. These payments are **not** made through the transmittal reporting process. Any member wishing to establish service credit for periods of authorized leave without pay should contact the DRS Membership Section.

TRS Members Not on Unpaid Leave

This DRS Notice explains service credit accumulation for TRS members on unpaid leave; sometimes members perform services for a union under other circumstances.

DRS is preparing a fact sheet for TRS employers, explaining the circumstances in which a member who performs services for a union might earn TRS service credit. This fact sheet will be distributed to TRS employers in late October.

Questions?

If you have additional questions about authorized leave without pay for TRS members, you may contact Margaret Wimmer of the Teachers' Retirement System, at (206) 753-5290, SCAN 234-5290, or Hector Gonzalez of the DRS Legislative/Legal Affairs Office, at (206) 586-3414, SCAN 321-3414.

DRS is obligated to administer our state's retirement systems in accordance with the law, and we appreciate TRS employers' cooperation in identifying and correcting any reporting errors that may have occurred.

George Northcroft
Director

1990 DRS Notices

If you did not receive a Notice, check this list to verify that the Notice applies to you and/or your employees. If you need a copy, call the DRS Technical Writing Unit at (206) 586-4515, SCAN 321-4515.

Notice No.	Date	Applies to/ Subject matter
90-001	Jan. 10	School district employers using the WSIPC system Transmittal data problems
90-002	Jan. 28	All Employers Transmittal report month-end processing dates
90-003	Apr. 2	State agencies using the PISD Central Payroll System to report members of the Public Employees' Retirement System Changes in some requirements for submitting Employee Permanent Record and Notice of Separation forms for PERS employees
90-004	May 29	All Employers Summary of 1990 legislation related to retirement issues
90-005	May 30	PERS Employers Temporary employment in eligible PERS positions
90-006	June 4	PERS, TRS, and LEOFF Employers Reemployment of retirees
90-007	June 5	TRS Employers <i>Eligible position</i> in the Teachers' Retirement System Plan II
90-008	July 3	All Retirement System Employers Revised Request for Refund of Contributions forms (DRS 576015)
90-009	July 16	All Retirement System Employers Contribution rate changes
90-010	July 23	PERS Employers Change in the definition of <i>eligible position</i>
90-011	Aug. 21	School Districts, Educational Service Districts, and State employers of TRS employees Change in procedure for reporting substitute teachers

90-012	Aug. 22	TRS Employers and PERS Education Employers New service credit calculation for education employees
90-013	Sept. 24	TRS Employers Verifying TRS Plan II service credit
